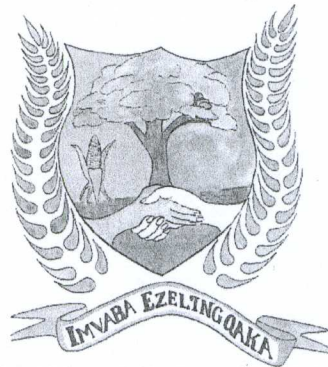


MNQUMA LOCAL MUNICIPALITY



CREDIT CONTROL AND DEBT MANAGEMENT POLICY

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CHAPTER 1: GENERAL

1. Definitions

In this Policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Mnquma Local Municipality:

Credit Control and Debt Collection By-law has the same meaning;

"child-headed household" means a household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children;

"Finance Management Act" means the Local Government: Municipal Finance Management Act, 56 of 2003

"household income of housing debtor" means the total gross income of both the debtor and the debtor's spouse or partner and a percentage of the gross income of any other occupants of the property, where applicable;

"indigent amount" means the applicable indigent subsidy as determined by the Municipality from time to time;

"municipal valuation" means the value of the property as determined in terms of the Property Rates Act;

"non-residential debtors" means the state, owners and lessees of non-rebated properties and debtors who do not qualify for, or receive free basic services

"Property Rates Act" means the Local Government: Property Rates Act, 6 of 2004;

"rate" or "rates" means a municipal rate on property as envisaged in section 229 of the Constitution;

"Rates Policy" means the Mnquma Local Municipality: Rates Policy;

"residential debtors" means debtors who may qualify for and who may receive subsidy as determined by Tariff Policy and Rates

"sundry debt" means any debt other than rates, refuse removal and or rental;

"Tariff Policy" means the Mnquma Local Municipality: Tariff Policy; "this policy" includes the Credit Control and Debt Collection By-law;

CREDIT CONTROL POLICY ADMINISTRATION

2. Purpose of this Policy

The Purpose of this Policy is to-

- a) In terms of Chapter 8, section 64 of the Municipal Finance Management Act No. 56 of 2003 the Municipal Manager must take effective and appropriate steps to collect all moneys due to the Municipality.
- b) Focus on all outstanding debt as raised on the debtor's account;
- c) Provide for a common credit control and debt collection policy;
- d) Promote a culture of good payment habits amongst debtors and instil a sense of responsibility towards the payment of accounts and reducing municipal debt;
- e) Subject to the principles provided for in this Policy, use innovative, cost effective, efficient and appropriate methods to collect as much of the debt in the shortest possible time without any interference in the process.
- f) Effectively and efficiently deal with defaulters in accordance with the terms and conditions of this policy

3. Principles of this Policy

This policy supports the following principles:

- a) Human dignity must be upheld at all times;
- b) This policy must be implemented with equity, fairness and consistency;
- c) Details related to the debt and the account of the debtor should be correct at all times;
- d) Debt and arrangements to repay debt will be treated holistically, but different repayment periods or methods may be determined for different types of service, debtors or areas within the general rule that the repayment period should be in sympathy with the instalments and the affordability of the debtor be proved;
- e) The implementation of this policy is based on sound business practices and applicable legislation;
- f) New applications for services will be subject to prescribed credit information and outstanding amounts may be transferred to the new account. All information furnished on the application form may be verified by the Municipality with any or all data information institutions, credit information bureaux and any financial institutions as may be deemed necessary by the Municipality in determining the applicant's credit worthiness. The Municipality reserves its rights to share bad payment behaviour as determined from time to time;
- g) Where alternatives are available the Municipality may provide reduced levels of service to manage the debt growth;
- h) Debtors may be referred to 3rd party debt collection agencies and may be placed on the National Credit Rating list;
- i) If an account is not paid by the due date, one month will be allowed to elapse before interest is charged. Interest will be equivalent to a full month from this date for each month, or part thereof, that the account is overdue;
- j) For purposes of an arrangement a debtor may be required to co-operate with any reasonable measures that might be required to reduce their level of use of consumable services to affordable levels;

- k) The terms and conditions as contained in any prescribed form or document utilised in implementing this policy, forms part of this policy and is incorporated therein as specifically stated;
- l) The suspension of any debt management action, when interrupted for whatever reason, shall, where practical, continue from the previous action taken.
- m) Service of documents and processes may be in accordance with section 115 of Systems Act.
- n) All legal costs, including attorney-and-own-client costs incurred in the recovery of arrears, shall be levied against the debtors account.
- o) Where a company, closed corporation, trust or a body corporate in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986) is in arrears to this Municipality, the liability for such arrears shall be extended to the directors or members thereof jointly and severally liable

4. Employer deductions

Whenever an agreement in terms of section 7, of the Mquma Local Municipality's Credit Control and Debt Collection By-law, is concluded with an employer the Municipality may pay a commission to the employer, the amount of which will be determined from time to time.

5. Councillor and municipal staff arrears

- a) Staff arrears will be dealt with in accordance with Schedule 2 of the Systems Act, and in terms of any procedures, method or actions referred to in this Policy. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such staff members' salary after this 3 (three) month period.
- b) In accordance with Schedule 1, item 12A of the Systems Act, a Councillor of the Municipality may not be more than 3 (three) months in arrears for municipal service fees, surcharges on fees, rates or any other municipal taxes, levies and duties levied by the Municipality. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such Councillor's remuneration after this 3 (three) month period.

6. Credit control

- a) The applicant may be required to undergo a full credit check in an endeavour to trace all debt inclusive of municipal debt owed by the applicant. This will require the provision of, inter alia, acceptable means of identification and if applicable, binding lease agreement, title deed and other supporting document as required by the Municipality from time to time. The relevant application form as approved by the Municipality from time to time forms an integral part of this Policy insofar as the contents of such application form are not in conflict with any of the provisions of this Policy.
- b) The Municipality shall not conduct any business activity with or provide any services to any persons who are in arrears with municipal accounts except as provided for in policy and as determined by the Municipality from time to time, nor will any refunds of credits be made to any debtor who is in arrears with their Municipal account.

7. Rental guarantees

- a) The Municipal Manager may accept a guarantee for deposits in terms of a lease agreement as provided may require to the conditions of rental guarantees.

8. Disputes

- a) In this item "dispute" refers to the instance when a debtor questions the correctness of any account rendered by the Municipality with the Municipal Manager as per the process contained in sub-item (2) below.
- b) In order for a dispute to be registered with the Municipality, the following procedures must be followed:

By the debtor

- a) The dispute must be submitted in writing or dictated to the official who will record it in writing and have it read, and if necessary, corrected, it must be signed by the disputant as correct. The document must then immediately be lodged with the relevant authorised official.
- b) No dispute will be registered verbally whether in person or over the telephone.
- c) The debtor must furnish full personal particulars including all their account numbers held with the Municipality, direct contact telephone numbers, fax numbers, postal and e-mail addresses and any other relevant particulars required by the Municipality.
- d) The full nature of the dispute must be described in the correspondence referred to above.
- e) The onus will be on the debtor to ensure that he/she receives a written acknowledgement of the receipt of the dispute.

By the Municipality

On receipt of the dispute the following actions are to be taken:

- a) All disputes received are to be recorded in a register kept for that purpose. The following information should be entered into this register:
 - (i) debtors account number;
 - (ii) debtors name;
 - (iii) debtors address;
 - (iv) full particulars of the dispute;
 - (v) name of the official to whom the dispute is given to investigate and resolve in accordance with the provisions contained in this Policy;
 - (vi) actions that have, or were, taken to resolve the dispute;
 - (vii) signature of the official.
- b) An authorised official will keep custody of the register and conduct a daily or weekly check or follow-up on all disputes as yet unresolved.
- c) A written acknowledgement of receipt of the dispute must be provided to the debtor. The following provisions apply to the consideration of disputes:
 - (i) All disputes must be concluded by the Municipal Manager.

- (ii) The Municipal Manager may require any official or disputant to attend any meeting in order to assist with the investigation relating to the facts surrounding the dispute;
 - (iii) The Municipal Manager has the right to call for any document, book, and computer data or record which in his/her sole discretion is deemed necessary to assist in determining the facts surrounding the dispute.
 - (iv) The Municipal Manager's decision is final and will result in the immediate implementation of any debt collection and credit
 - (v) Control measures provided for in this Policy after the debtor is provided with the outcome of the dispute.
 - (vi) The same debt will not again be defined as a dispute in terms of this paragraph and will not be reconsidered as the subject of a dispute.
 - (vii) Should a debtor not be satisfied with the outcome of the dispute, a debtor may lodge an appeal in terms of section 62 of the Systems Act.
- d) The Municipality reserves the right to declare a dispute on any account as may be deemed necessary.

9. Accounts

- a) In terms of section 102 (a) of the Systems Act this Municipality deems all separate accounts of a person liable for payment to this Municipality, to be consolidated, regardless of the fact that, separate accounts for such debtor may be rendered, and includes all refuse removal services for which no account is rendered.
- b) All separate debts owed to this Municipality by a debtor shall be deemed to be consolidated.
- c) Payment of any undisputed debt, in terms of Section 7, of the Municipality's Credit Control and Debt Collection By-law, will firstly be allocated to the debtors account as follows-
 - (i) allocation to down payments; then
 - (ii) allocation to penalty fees (e.g. RD charges); then
- d) payments received via 3rd party receipting will always be allocated as per sub-item (e) below; then
- e) if there is a partial payment the allocation shall be as follows-
 - (i) payments are allocated from oldest debt to youngest debt until all debt is paid; then
- f) A debtor may make a payment at a municipal cashier, which has the facility to allocate the payment. The payment will then be allocated as specified and any overpayments will be allocated as per sub-item (c) where applicable.

10. Irrecoverable debt

Criteria for irrecoverable debt

- a) Debt will only be considered as irrecoverable if it complies with the following criteria:
 - (i) all reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount; or

- b) Any amount equal to or less than R500.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or
- c) the cost to recover the debt does not warrant further action; or
- d) the amount outstanding is the remainder after payment of a dividend in the rand from an insolvent estate; or
- e) a deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or
- f) where the estate has not been reported to the Master and there are no assets of value to attach; or
- g) it has been proven that the debt has prescribed; or
- h) the debtor is untraceable or cannot be identified so as to proceed with further action; or
- i) the debtor has emigrated leaving no assets of value to cost effectively recover Council's claim; or
- j) it is not possible to prove the debt outstanding; or
- k) a court has ruled that the claim is not recoverable; or
- l) the outstanding amount is due to an irreconcilable administrative error by the Municipality; or
- m) all debtors who are registered as indigent as more fully set out in chapter 4 of the credit control and debt management policy will have their arrears written off; or
- n) if an offer of full and final settlement is confirmed in writing by the Municipal Manager in terms of section 15 (ii) of the Mquma's: Credit Control and Debt Collection By-law; or
- o) all arrears may be written off to bad debts where Council-
 - (i) expropriates any property; or
 - (ii) purchases any property in terms of item 10(f); or
- (q) all arrears may be written off to bad debts where a property has been forfeited to the State in terms of the Prevention of Organised Crime Act 121 of 1998; or
 - (i) where the occupiers have been evicted from Council,
 - (ii) Provincial or State properties due to criminal activities; or
- (r) where registered non-profit organisations or public benefit organisations would, except for there being arrears on their Municipal accounts, qualify to receive a 100% rates rebate, in terms of the Rates Policy, will, with effect from the date of qualification, have all their arrears written off, thus ensuring that they meet all the criteria to receive the rates rebate and; this assistance will only be granted once to an organization
- (s) should the Municipal Manager become aware that the focus of the organization has changed, or its financial position has improved or its registration as a non-profit organisation or public benefit organisation has lapsed or terminated within three years after the arrears were written-off, such arrears will become payable with immediate effect.

11. Authorisation

- (a) In respect of other debt, schedules indicating the debtor account number, the debtor's name, and the physical address in respect of which the debt was raised, address, ERF number, if applicable, amount per account category as well as a reason to write-off the amount must be compiled and submitted to Executive Mayor for approval this is part of the delegated authority.
- (b) Debt below R500 as stipulated above may be automatically approved for writing off by the Municipal Manager as a delegated authority.

12. Rates

The following provisions apply to rates and any levies:

- (a) Interest shall be charged on all overdue accounts;
- (b) if the account is not paid by the due date as displayed on the account a notice shall be issued showing the total amount owed to the Municipality;
- (c) if the account is not settled or there is no response from the debtor to make acceptable arrangements to repay the debt, summons may be issued and the legal process followed;
- (d) in instances where the rates debt is in respect of Municipal property sold by suspensive sale agreement, the collection thereof will be dealt with in terms of the Deed of Sale, and if applicable, this Policy, or any subsequent applicable written agreement between the Municipality and the debtor;
- (e) at any stage while the debt is outstanding, all reasonable steps shall be taken to ensure that the final sanction of a sale-in execution is avoided or taken only as a last resort. The Municipality, however, has total commitment to a sale-in execution should the debtor fail to make use of the alternatives provided for by the Municipality from time to time. This is also applicable to all debt, and includes all debt which is a charge against a property, as referred to in this Chapter;
- (f) as part of the recovery process the Municipal Manager may bid, to a maximum of Rx (Rx could equal R10,00 or the total of the debt plus costs and include any reasonable amount for clearance purposes.), at a sale-in-execution and, if successful, sign all relevant documentation to acquire and take transfer of the property.
- (g) the Municipal Manager shall have the right to negotiate and to cancel the deed of sale, as referred to in sub-item (f) above, before transfer to the Municipality, if such cancellation results in either the bond holder or the debtor, or both the said parties, paying in full for all debt owed to the Municipality in connection with that property as well as all costs related thereto.
- (h) the Municipal Manager may proceed to sale in execution of any immovable property classified as a problem building in terms of the Problem Building Strategy Policy and may attach any condition to such property as determined in terms of the aforesaid policy when proceeding as aforesaid.

13. Services

- (1) The following provisions apply to the payment for services;
 - (a) accounts must be paid by the due date as shown on the account;
 - (b) interest will be charged on all overdue accounts;

- (c) the debtor must be warned on the monthly account of a possible hand over if payment is not received by the due date;
- (d) if payment is not received or suitable payment arrangements are not made by the due date, a notice shall be hand-delivered or posted to the physical supply address warning of an forthcoming hand over after 7 (seven) days from the date as stated on the notice;
- (e) if payment is not received or suitable payment arrangements are not made by the due date as shown on the notice, the account will be handed over;
- (f) a notice shall be left at the property advising that the account has been handed over;

14. Other debt

Sundries

- (i) Interest will be charged on all overdue accounts.
- (ii) In the recovery of sundry debt, the Municipality reserves the right to utilise any legal action at its disposal as well as making use of any third-party debt collectors.
- (iii) If a drawer of the cheque, debit order, EFT payment, or the customer who received value from such payment, is an existing debtor of the Municipality, the reversal and penalty fee may be debited to an account of such payer and a letter of notification must be sent to the debtor. Such fee shall be deemed to be a tariff charge and shall be recovered from the debtor. The Municipality reserves the right to refuse to accept or to cancel such further payment methods from such person, to place the matter on the National Adverse Credit Listing, or take any steps as contained in this Policy, which may include criminal charges against the offender.
- (iv) Where a payment referred to in sub-item (iii) was tendered and any debt management action, in terms of this policy, was suspended, and such payment was not honoured, such debt management action shall continue without further notice to such debtor.

Dishonoured Payments: Sundry Services

- (i) If payment tendered by way of cheque, debit order or EFT payment is not from an existing debtor of the Municipality, then a sundry debtor account is opened and a debit and penalty is raised. Once the accounts submitted and the debtor fails to honour the cheque, debit order or EFT payment, and pay the penalty within 14 (fourteen) days of receipt, a final demand is generated and submitted. If there is still no response, then the matter shall be handed over for placement on the National Adverse Credit Listing, or take any steps as contained in this Policy which may include criminal charges against the offender.
- (ii) Where a payment referred to in sub-item (i) was tendered, and any debt management action, in terms of this policy, was suspended, and such payment was not honoured, such debt management action shall continue without further notice to such debtor.
- (iii) If a drawer of the cheque, debit order or EFT payment, or the customer who received value from such payment method, is an existing debtor of the Municipality, the reversal and penalty fee may be debited to an account of the drawer or beneficiary and a letter of notification must

beset to the debtor. Such fee shall be deemed to be a tariff charge and shall be recovered from the debtor. The Municipality reserves the right to refuse to accept further cheques, debit order or EFT payment from such payer and or beneficiary and may take any steps as contained in this Policy which may include criminal charges against the offender.

- (iv) The Municipality may attach the rental or any other payments due to debtors who are in arrears with their Municipal accounts.

15. Clearance Certificates

- (i) All monies including any estimated amounts for the duration of the validation period of a certificate in terms of section 118, of the Systems Act, or section 89 of the Insolvency Act, 24 of 1936, are for the purpose of section 118, deemed to be due and must be paid in order to facilitate the transfer of immovable property;
- (ii) All amounts that are due in connection with the property must be paid in full prior to the issuing of any clearance certificate in terms of section 118, of the Systems Act;
- (iii) interest shall be paid in respect of any payment made in terms of this item unless allowed for in terms of any other legislation; and
- (iv) all payments will be allocated to the registered sellers' municipal accounts in terms of the Municipal Credit Control and Debt Collection By-law and all refunds, if any, in respect of such payment, will be made to such seller, after registration of transfer has been registered in the Deeds Office.
- (v) No certificate, in terms of section 118 of the Systems Act, will be issued where the property owner has not complied with any relevant legislation, policy or agreement relating to the property in question.

16. Arrangements

Principles for Residential Debtors

- (i) Current charges must be paid in full.
- (ii) The debtor may be required to prove levels of income and must agree to a monthly payment towards arrears based on such debtors ability today or based on such debtors total liquidity if the Municipality so requires.
- (iii) All negotiations with the debtor should strive to result in an agreement that is in the interests of both parties and is sustainable.
- (iv) Interest will be charged on arrears.
- (v) Debtors who default on three occasions in respect of arrangements made will be denied the privilege of making further arrangements and the full amount becomes payable. Interest will be calculated from the original due date of the debt, taking any payments into consideration.
- (vi) All arrangements may be subject to periodic review.

(vii) Legal action may be taken against debtors referred to in sub-item (v) and such debt may be referred to third party debt collectors, for recovery.

(viii) Arrangement Criteria for Residential Debtors:

a) In cases where residential debtors wish to make arrangements to settle their arrears, the following payment criteria, inter alia, will apply:

current account; and an agreed payment towards arrears based on the principles contained in this Policy and sub-items (d) and (e) with minimum payment as per the "Minimum Payment Schedule" as adjusted by the Municipality from time to time.

(ix) Each following month the debtor will be required to pay:

a) current account; and an instalment as determined above.

b) Should the debtor default, payments will be as follows:

first default: current account and the monthly payment will increase by 50% of that payment;

second default: current account and double the monthly payment;

final default: current account and full arrears.

x) In all cases failure to respond to notices will result in normal credit control procedures and all debt collection processes as provided for in this Policy may be taken.

Principles for Non-residential Debtors

a) In cases where non-residential debtors wish to make arrangements to settle their arrears, the following criteria, inter alia, will apply-

(i) debtors may be required to furnish the Municipality with their latest audited financial statements and other supporting documentation relevant to their financial position in order to negotiate a settlement arrangement acceptable to the Municipality;

(ii) all negotiations with debtors should strive to result in an agreement that is in the Municipality's best interests and is sustainable;

(iii) interest will be charged on arrears at an interest rate that shall be determined by Council from time to time;

(iv) all arrangements may be subject to periodic review;

(v) the final decision to make these arrangements will rest with the Municipal Manager or his delegate.

Arrangement Criteria for Non-residential debtors

(i) If the non-residential debtor wishes to make an arrangement, interest may be charged or suspended on any outstanding amount and such arrangement will be subject to approval of the official as delegated.

(ii) Should the debtor default on any arrangement, any agreements may be terminated and legal action may be taken and such debt may be referred to a third party for recovery.

Interest will be calculated from the original due date of the debt taking any payments into consideration.

Special Conditions Regarding Arrangements

- (i) Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on property, the prescribed certificate as referred to in Section 118, of the Systems Act, will not be issued until such time as the full outstanding amount is paid.
- (ii) The conditions contained in the Municipality's arrangement document, as amended from time to time, will be deemed to form part of the arrangement criteria contained in this Policy.
- (iii) All debtors entering into arrangements, shall provide their banking details, and those who have the facility to sign a debit order with their financial institutions shall do so.
- (iv) The Municipal Manager would normally only enter into arrangements with property owners and account holders and may, on receipt of an affidavit, by the occupier or a tenant of a residential property, which certifies that the owner of the property which such tenant or occupiers resides in, is untraceable or not contactable or such owners whereabouts are unknown, and-
 - that they have a right to occupy such property and stating the time period that they have so occupied the property;
 - the last known address of the owner;
 - the rental due for such right to so occupy;
 - that such occupier or tenant undertakes to advise the owner at the first reasonable opportunity of the current situation and that the tenant or occupier further agrees to obtain the consent of the owner to condone the process as set out in this sub item enter into an arrangement with such a tenant or occupier in terms of this policy, to pay off arrears on an account which is a charge against the property.

Steps to be taken by the Municipal Manager

- (i) authorise an arrangement be entered into with the occupier or tenant subject to;
- (ii) a letter being dispatched to the last known address of the owner as per Council records and the address supplied which shall advise the owner of such owners responsibilities relating to the non- payment of the amounts
- (iii) due against the property and of the arrangement and the
- (iv) should the owner fail to respond to the notice

17. Collection process: Rental

- 1) Rental is payable in advance by the due date.
- 2) If payment is not received, a first contact letter requesting payment and offering the debtor an opportunity to make an arrangement within 30(thirty) days, from the date of the letter, is sent to the defaulting debtor.
- 3) If no response to the first contact letter, a letter of demand is sent, allowing the defaulter 30 (thirty) days, from the date of the letter, further opportunity to make an arrangement.
- 4) If the debtor fails to respond to this letter of demand, within 30 (thirty)days, the debtor may, within the next 30 (thirty) days, receive a house visit .
- 5) Failure to respond after the house visit, will result in legal proceedings.
- 6) The legal collection process will start with a letter demanding payment within a stipulated period.
- 7) If the debtor fails to respond within the allowed time, summons will be issued.
- 8) No response to the summons will result in default judgement and the ultimate sanction of eviction.
- 9) Where the debtor does not respond before the date of court appearance, eviction will proceed.
- 10) Should the debtor make an arrangement on the day of eviction and not adhere to the content of the agreement, the debtor will have to pay the lesser of the full outstanding debt and 12 X monthly lease instalment for residential leases and the full debt for commercial leases, in order to stop the Municipality's proceeding with the subsequent eviction.

CHAPTER 4: INDIGENT RELIEF FOR RESIDENTIAL PROPERTIES

18. Tariff Structure

The tariff structure for rates and services are designed to enable those consumers who meet the criteria as defined in the tariffs to obtain free basic services and those residential properties, which are below a specified value, to be rates free.

19. Arrears

All debtors who qualify and are registered as indigent, will have their arrears written off once during ownership of the property, and thereafter will be monitored

20. Registration criteria

In order to qualify for registration as an indigent, for a period not exceeding twelve months, an applicant must satisfy the following criteria:

- (1) the usage of the residential property must be primarily private residential; and
- (2) the applicant must be-
 - (i) the registered owner of the residential property; or
 - (ii) an occupier of a child-headed household which is registered in the name of the deceased parent or deceased parents; or
- (iii) a purchaser of a residential property from any of the spheres of Government on a delayed transfer basis; and
- (iv) the gross total household income of the residential property may not exceed the maximum income of the Senior Citizens
- (v) the applicant may not be the registered owner of more than one property; and be a full-time occupant of the property; and
- (vi) notwithstanding the aforesaid, owners of residential immovable property which have a Municipal value of R50 000, or less, or as determined by Council from time to time, will be deemed to meet the criteria in sub-item (i) to (v) above and will be regarded as being registered, unless proven differently.

Indigent relief: Rates

- (i) All improved residential properties that have a municipal valuation of R50 000 or less will be exempt from paying rates. These residential properties, therefore, qualify for a 100% rebate of rates; and

- (ii) the Municipality will not levy a rate on the first R20 000 of the market value of residential properties.
- (3) All debtors, who qualify and are registered as indigent, who require a municipal valuation certificate of their property, for purposes of applying for a social grant, will receive such certificate at no cost.

Indigent relief: Water

Indigent relief: Electricity

Residential Consumers who are registered as indigent will receive 50kWh free. List of those customers will be submitted to Eskom as the provider of the electricity and the Municipality will pay the monthly usage by those registered customers.

Indigent relief: Refuse removal

All residential debtors whose properties are below a municipal valuation, as determined by Council from time to time, may receive a free or rebated waste collection service; and

all residential property owners, who are registered as indigent, and who qualify as such will receive a refuse collection service rebate of 100%.

All informal residential debtors will receive a free basic refuse removal collection service as set out in the Tariff Policy.

21. Debt management actions

1. No legal action will be instituted against any debtor, who has registered for and been accepted as an indigent for a period of twelve months, or while they still qualify as indigent, and meet all the criteria, in section 20, during this twelve month period.
2. An application for registration as indigent is only valid for a period of twelve months from date of acceptance.
3. It is a requirement of this Policy that should the personal circumstances of a debtor improve to such an extent that such debtor no longer qualifies as an indigent, then such person must notify the Municipality immediately of this change in order for such persons name to be removed from the indigent register.
4. If it is found that a debtor no longer qualifies as an indigent, and they have not informed the Municipality, then this debtor will be deregistered as an indigent, all suspended steps, as referred will be lifted, from the time the debtor's circumstances were found to be improved, and interest will be payable on any outstanding amounts.

22. Misrepresentation

Debtors found to have misrepresented themselves in order to benefit from the Municipality's indigent relief will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the Municipality from time to time, and all benefits that

have been received, in terms of the indigent relief, will be reversed and claimed back to that particular customer

Any person who has received any benefit or relief in terms of this policy and who has misrepresented themselves in order to qualify for such benefit or relief will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the

Municipality from time to time, and all benefits or relief received, will be reversed and claimed back to that particular customer.

The Municipal Manager shall report any misrepresentation in terms of this policy to the South African Police Services.

23. Review of this Policy

In terms of section 17 (3) (e) of the MFMA this policy must be reviewed if necessary on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

24. Approval of this Policy

Consultation

The management and labour will be consulted in respect of the approval of, and any changes that may be made to, this policy

Final adoption

Council is the formulator of, and decision maker where, policies are concerned. The final approval of this policy rests with the Mquma Local Council on recommendation of the Executive Mayor.

Implementation and Review of this Policy.

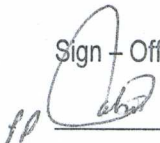
This policy shall be implemented once approved by Council.

Authentication

The policy was adopted by council on the: 31 MARCH 2011 as per

Resolution number: SCM/11/006.15(h)

Sign - Off



EXECUTIVE MAYOR



MUNICIPAL MANAGER